

**NEW JERSEY MANUFACTURERS  
INSURANCE COMPANY**  
301 Sullivan Way  
W. Trenton, New Jersey  
**James R. Meslar, Esquire(M2001-001811)**  
Counsel for Plaintiff  
New Jersey Manufacturers Insurance Company

**FILED**  
**JAMES J. WALDRON**  
**OCT 26 2009**  
**U.S. BANKRUPTCY COURT**  
**NEWARK, NJ**  
BY \_\_\_\_\_ DEPUT

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:  
PASCACK VALLEY HOSPITAL ASSOCIATION  
INC.,

Debtor.

THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF PASCACK VALLEY HOSPITAL  
ASSOCIATION, INC.,

Plaintiff,

vs.  
NEW JERSEY MANUFACTURERES INSURANCE  
COMPANY,

Defendant(s)

Case No. 07-23686 (RG )

Chapter 11

Adv. Pro. No. 09-2417(RG)

**DEFENDANT'S ANSWER TO  
COMPLAINT TO AVOID AND  
RECOVER PREFERENTIAL  
TRANSFERS**

Defendant, New Jersey Manufacturers Insurance Company by way of Answer

states:

**JURISDICTION AND VENUE**

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Admitted.

**PARTIES AND BACKGROUND**

6. Defendant lacks information sufficient to respond.
7. Defendant lacks information sufficient to respond.
8. Admitted.
9. Defendant lacks information sufficient to respond.

**COUNT I**

10. Not applicable.
11. Defendant lacks information sufficient to respond.
12. Denied. At times New Jersey Manufacturers Insurance Company was a debtor to Pascack Valley Hospital.
13. Denied.
14. Defendant denies that payments are preferences under the Bankruptcy Code.
15. Denied.
16. Denied.
17. Denied.

**COUNT II**

18. Not applicable.
  19. Admitted.
  20. Defendant has denied that the payments are preferences under the Code.
- The Defendant responded to the Committee on or about September 15, 2009.
21. Denied.

**COUNT III**

- 22. Not applicable.
- 23. Defendant lacks information sufficient to respond.
- 24. Denied.

**AFFIRMATIVE DEFENSES**

**FIRST DEFENSE**

The unsecured creditors committee has no standing under the Bankruptcy Code to bring this preference action against New Jersey Manufacturers Insurance Company.

**SECOND DEFENSE**

Payments made to defendant, New Jersey Manufacturers Insurance Company, were for Workers' Compensation Insurance which is required under NJSA 34L15-78.

**THIRD DEFENSE**

Payments made to defendant, New Jersey Manufacturers Insurance Company, were payments made in the ordinary course of business or financial affairs between debtor and New Jersey Manufacturers Insurance Company, as New Jersey Manufacturers Insurance Company was the Workers' Compensation Insurance carrier from September 1, 2006 through September 1, 2008.

**FOURTH DEFENSE**

Payments made to defendant, New Jersey Manufacturers Insurance Company, were made according to ordinary and accepted terms as set forth by the New Jersey Department of Labor Corporation Rating and Inspection Bureau.

**FIFTH DEFENSE**

Plaintiffs may not recover monies that have already been returned by defendant. New Jersey Manufacturers Insurance Company has made the following payments back to Pascack Valley Hospital:

1/30/2008	\$170,290.00
6/17/2008	6,217.50
8/19/2008	7,241.30
7/13/2009	72,691.55
7/20/2009	8,556.90

Wherefore, New Jersey Manufacturers Insurance Company respectfully demands judgment against plaintiff/debtor with costs of this proceeding and attorney fees.

NEW JERSEY MANUFACTURERS  
INSURANCE COMPANY

By: 

JAMES R. MESLAR, ESQ.

Attorney for Defendant

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DATE: 10-23-09